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RV BUSINESS

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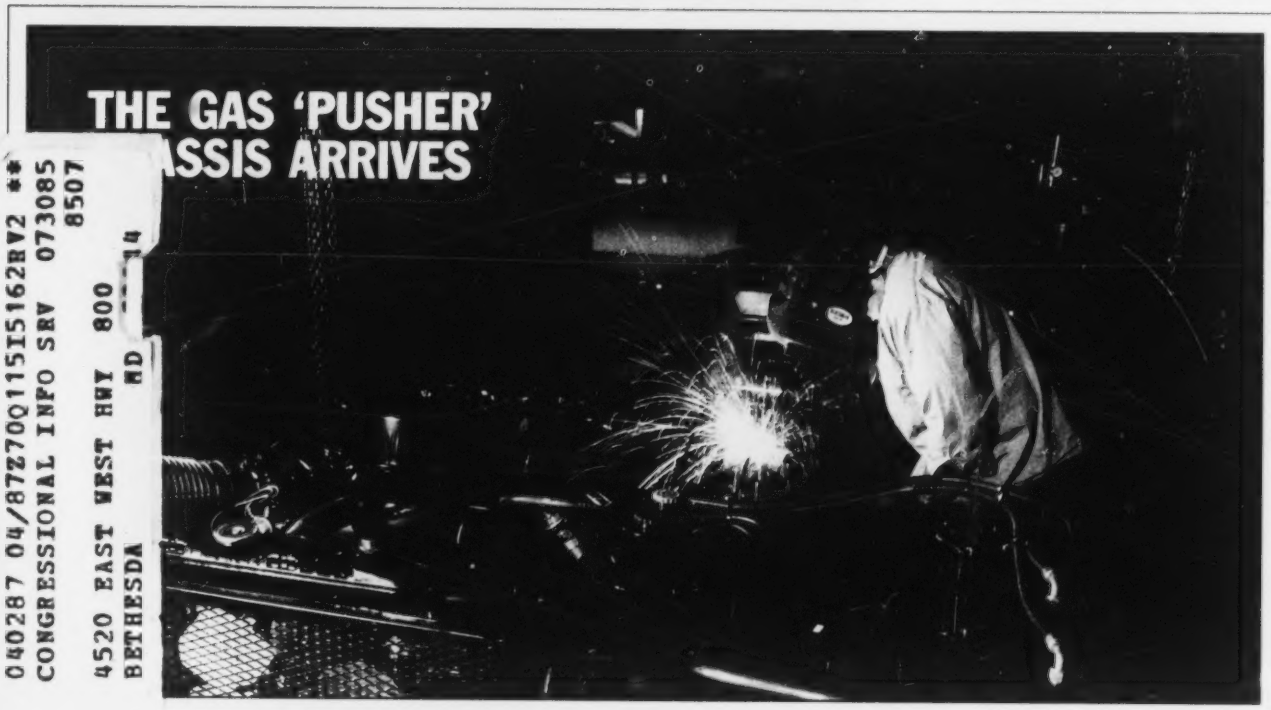
1987



Calif. NOx Standard May Affect State's Chassis Supply

Certain General Motors Corp. (GM) RV chassis may not be available for the California market for the 1988-89 model years due to the state's new nitrous-oxide (NOx) emissions standards. However, both GM and Ford Motor Co., the major RV chassis suppliers, have said there should be no chassis shortages this year.

The potential GM chassis shortage confirms the fears expressed by RV manufacturers that chassis equipped with heavy-duty gasoline engines of certain sizes and power ratings would not be available for the California market due to tougher emissions standards, which take effect for the 1988 model year. At that time, California's minimum NOx standard will be 6.0 grams per horsepower hour, compared to a national standard of 10.7 grams per hp hr.

The difference in standards results from a GM suit of the Environmental Protection Agency, which succeeded in postponing the effective date of a national minimum NOx standard of 6.0 grams from the 1988 model year to the 1990 model year in all states except California. In that state, the California Air Resources Board decided to go ahead and enforce the tighter standard for 1988.

Ford Motor Co., Dearborn, Mich., had some reassurance for RV makers who are worried about the tougher standard's im-

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RVIA Tries to Halt 'Big Rig' License Drive

RVIA is "taking the most aggressive position it can possibly take" in lobbying to head off a drive by a number of states to include RVs in new special drivers' licensing requirements for large vehicles, said Diane Farrell, RVIA vice president for governmental affairs.

At least seven states currently either have bills pending or are drafting proposals for special big-rig licensing requirements that may affect drivers of large RVs, said Farrell. Arizona, Missouri and Montana already have bills before their state legislatures. Other states, including California, are studying their licensing systems.

The rash of state licensing revisions results from passage of the Federal Commercial Motor Vehicle Safety Act, which requires all states to issue special drivers' licenses to operators of commercial vehicles over 26,000

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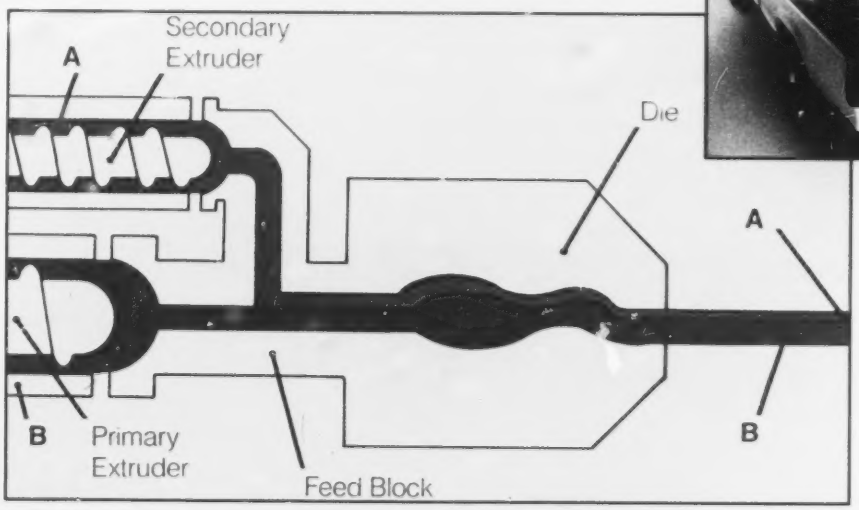

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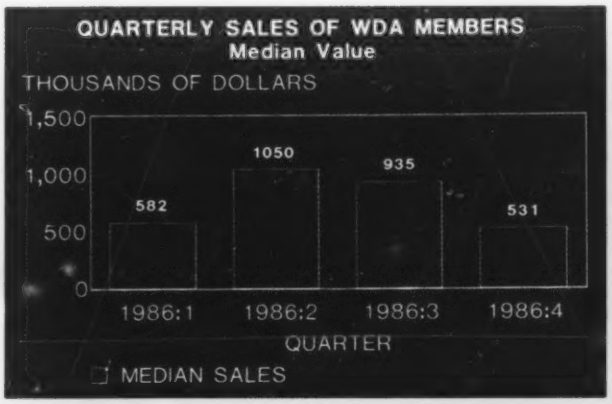
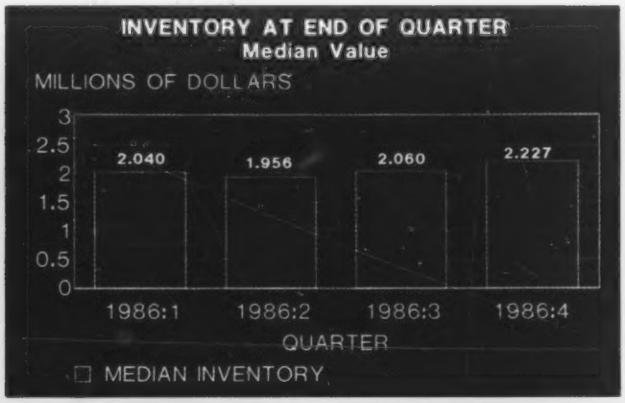
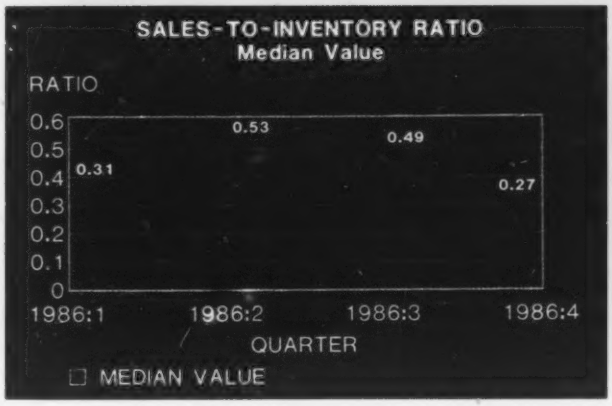
COVER: CHASSIS COURTESY OF VIRONEX INC., CANYON COUNTRY, CALIF.; PHOTO BY DALE BERMAN

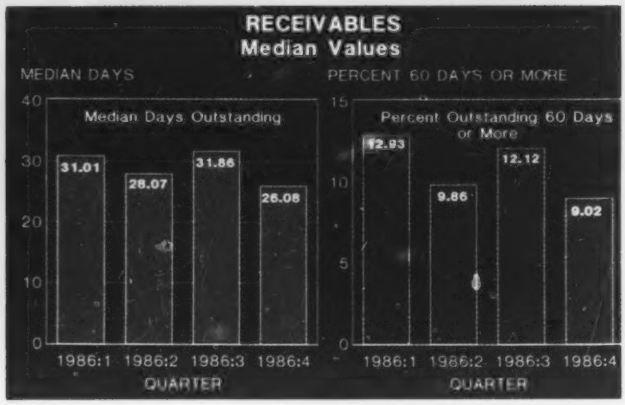
WDA SURVEY SHOWS LOWER SALES, HIGHER INVENTORIES AT END OF '86

MORTON J. MARCUS









Members of the Warehouse Distributors Association (WDA) participating in the quarterly statistical survey reported lower sales in the fourth quarter of 1986, compared to the third quarter. Half of the 31 firms had sales of $531,000 or more. This was the lowest quarter of the year, but just 8.7% below the level reported for the first quarter of 1986. The decline was probably just a normal seasonal variation and appears to run contrary to the first few months of 1987, in which several members have informally reported very strong sales.

Sales were down for firms in all size groups. Small firms (those with less than $300,000 for the quarter) were off 12% from the third quarter. Medium-size firms (sales of $300,000 to $1.5 million for the quarter) reported a decline of 11% for the quarter, while large firms (with sales of more than $1.5 million) were down just 2%.

Inventories rose to the highest levels of the year. Half of the participants reported quarter-ending inventories of $2.2 million, up 8% from the end of the third quarter. The decline in average sales, coupled with the rise in inventories, forced the sales-to-inventory ratio down to 0.27, the lowest level of the year.

The receivables picture improved in the final quarter of 1986. The average days for receivables outstanding fell from nearly 32 days to just over 26 days. Of equal value was the decline in the percent of receivables outstanding 60 days or more; half of all reporting units came in just above 9%, which was the best performance of the year.

All of these results from the WDA survey were tabulated from confidential reports voluntarily submitted by WDA members to the Indiana Business Research Center at Indiana University. Each participating member received a private report in which that establishment's record was compared with industrywide averages.

These fourth-quarter results mark the end of the first year of this new membership survey by WDA. Starting with the first quarter of 1987, the reports will permit year-to-year comparisons of business statistics supplied by WDA members. With a second year of data, long-term business trends can be separated from seasonal variations. Δ

GRAPHICS: CUSTOM COLOR VISUALS

JANUARY '87

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during January 1987 was 31,200 units, down 3.1% from January 1986.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Jim Sheldon of Fleetwood Enterprises Inc., Riverside, Calif.

RV shipments were as follows in Jan. 1987		Jan. 1986	Percent Change	Cumulative 1987	Cumulative 1986	Percent Change
TRAVEL TRAILERS	5,700	5,400	+ 5.6%	5,700	5,400	+ 5.6%
PARK MODELS	600	800	− 25.0%	600	800	− 25.0%
FIFTH-WHEELS	2,000	2,100	− 4.8%	2,000	2,100	− 4.8%
TRUCK CAMPERS	600	400	+ 50.0%	600	400	+ 50.0%
MULTI-USE VEHICLES (Van Conversions)	14,100	15,100	− 6.6%	14,100	15,100	− 6.6%
TYPE A: MOTOR-HOMES	2,800	2,500	+ 12.0%	2,800	2,500	+ 12.0%
TYPE B: VAN CAMPERS	600	600	0%	600	600	0%
TYPE C: MINI MOTOR-HOMES	2,000	1,800	+ 11.1%	2,000	1,800	+ 11.1%
FOLDING CAMPING TRAILERS	2,800	3,500	− 20.0%	2,800	3,500	− 20.0%
TOTALS	31,200	32,200	− 3.1%	31,200	32,200	− 3.1%